

CHAPTER 1 INTRODUCTION

1.1 Use

The use of this pamphlet is for rate determination on construction contracts, dredging contracts, and negotiated procurements and relates only to contractor-owned equipment (see [figure 1-1](#)).

a. This pamphlet shall be used for determining hourly equipment rates that are contained in the independent government estimate.

b. In addition, the use of this pamphlet will be required by contractors for pricing contractor-owned equipment in negotiated procurements when:

(1) Cost or pricing data is not required, as defined in Federal Acquisition Regulation (FAR) Part 15.400, *Contract Pricing*.

(2) Cost or pricing data is required and the actual cost data to support either ownership or operating costs for equipment or equipment groups of similar model and series is not available.

(3) Cost or pricing data is required and available, but all or part of the data is determined not to be in accordance with the FAR cost principles.

1.2 How to Obtain Assistance

If assistance is needed in understanding the methodology for calculating equipment rates, contact the Chief, Cost Engineering Branch, Engineering Division, Walla Walla District, U.S. Army Corps of Engineers, (CENWW-ED-C), 509-527-7511 or 509-527-7510. Visit the CENWW-ED-C Web Site at <http://www.nwww.usace.army.mil/html/offices/ed/cb/cepage.htm>.

1.3 How to Obtain CHECKRATE Spreadsheet

A Microsoft Excel® spreadsheet, named "CHECKRATE," has been developed to calculate equipment rates using the methodology required by this pamphlet. The user must have Microsoft Excel® for Windows, version 5.0 or newer, to run the application. The factors needed in the hourly cost calculations are located in the appendixes of this pamphlet. A copy of the spreadsheet may be obtained by choosing the CHECKRATE link on the following Web Site: <http://www.nwww.usace.army.mil/cost/epframe.htm>.

1.4 How to Obtain this Publication

Volumes 1-12 of this pamphlet are available in portable document format (PDF) and can be viewed or downloaded at <http://www.usace.army.mil/inet/usace-docs/eng-pamphlets/cecw.htm>. Copies of the pamphlet are also available on CD-ROM (Volumes 1-12) through the Superintendent of Documents or government bookstores (see

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appendix A). For additional information, telephone 202-512-1800, fax 202-512-2250, or access on the Internet at <http://www.access.gpo.gov/>.

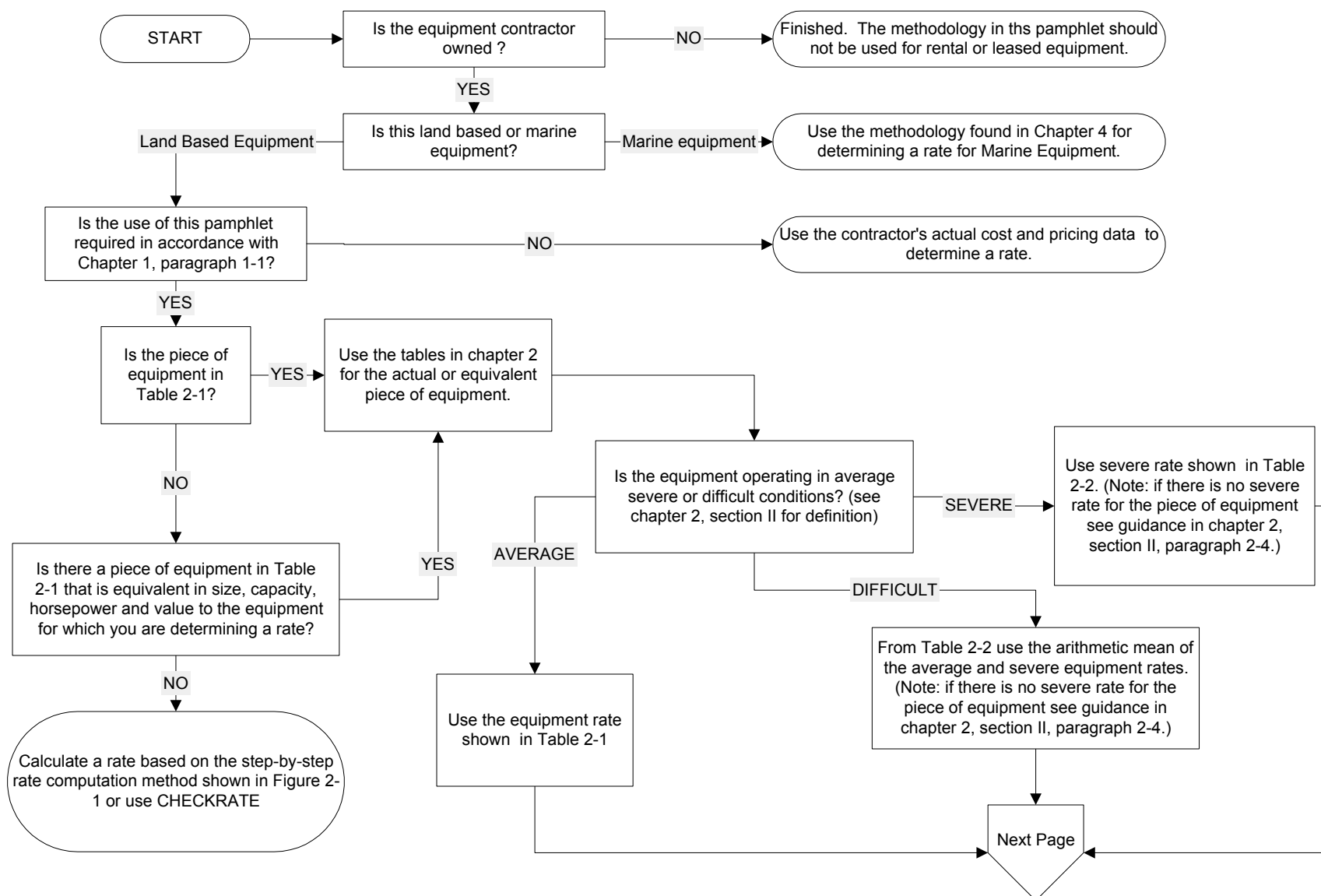


Figure 1-1. Methodology for Developing an Hourly Ownership and Operating Rate for Construction Equipment

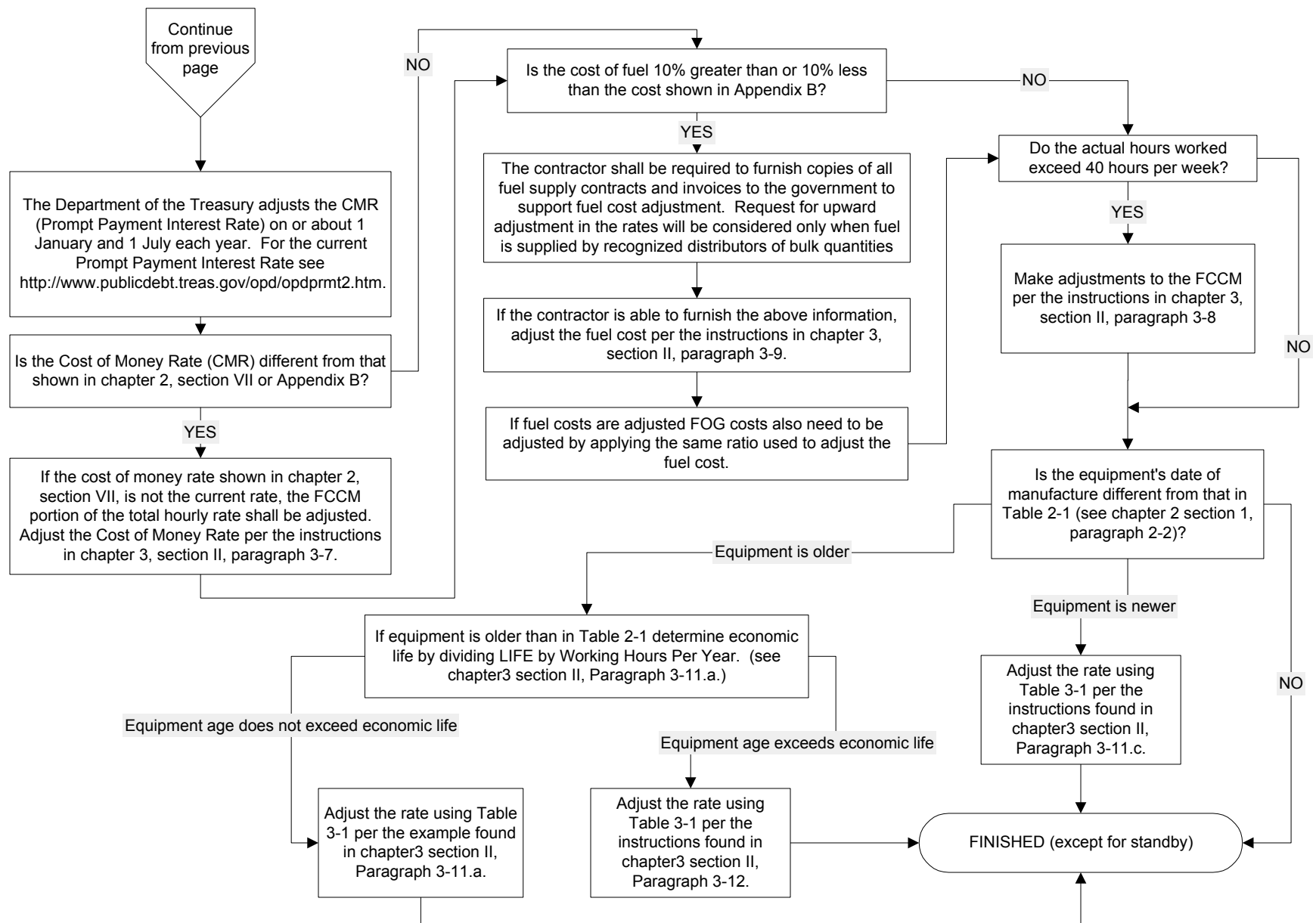


Figure 1-1. Methodology for Developing an Hourly Ownership and Operating Rate for Construction Equipment (Continued)